

BOB ANTHONY  
Commissioner

ED APPLE  
Commissioner

DENISE A. BODE  
Commissioner

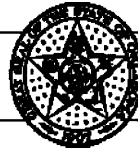
OKLAHOMA

# Corporation Commission

P.O. BOX 52000-2000  
OKLAHOMA CITY OKLAHOMA 73152-2000

400 Jim Thorpe Building  
Telephone: (405)521-2255  
FAX: (405)521-4150

Office of General Counsel



Lawrence R. Edmison, General Counsel

July 13, 1998

Docket Clerk-U. S. DOT Dockets  
Federal Highway Administration  
Room PL-40 1  
400 Seventh Street SW  
Washington, D.C. 20590-0001

DEPT. OF TRANSPORTATION  
DOCKET SECTION  
98 JUL 14 PM 12:49

Re: Oklahoma Corporation Commission Transportation Division comments on Proposed  
rulemaking FHWA-97-2979 - 18

Enclosed please find the comments of the Transportation Division of the Oklahoma Corporation Commission concerning the above captioned rulemaking. Also enclosed is a self addressed stamped envelope to confirm receipt. Thanks for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey P. Southwick", written over a horizontal line.

Jeffrey P. Southwick,  
Assistant General Counsel  
Oklahoma Corporation Commission

QA#37374

OKLAHOMA CORPORATION COMMISSION COMMENTS TO PROPOSED  
RULEMAKING CONCERNING HOUSEHOLD GOODS, CONSUMER PROTECTION

**DOCKET NO. FHWA-97-2979**

DEPT. OF TRANSPORTATION  
DOCKET SECTION

98 JUL 14 PM 12:49

Federal Highway Administration  
Attention: Docket Clerk, U. S. DOT Dockets  
Room PL-40 1  
400 Seventh Street, SW  
Washington, D.C. 20590-0001

OKLAHOMA

# Corporation Commission

P.O. Box 52000-2000 FAX (405)521-2916

Jerry V. Matheson, Director  
(405) 521-4131

OKLAHOMA CITY, OKLAHOMA 73152-2000



Transportation Division

July 13, 1998

The Transportation Division of the Oklahoma Corporation Commission ("Commission") is appreciative of the opportunity afforded comments on the current rulemaking concerning transportation of household goods.

Oklahoma, as her sister states, has been the recipient of numerous complaints that chorus a continuing refrain, allegations against household goods carriers acting unprofessionally and in an unscrupulous manner. The most repeated complaint in Oklahoma concerns low initial estimates, followed by presentation of extremely escalated bills of lading, with attendant goods held hostage.

Secondly, Oklahoma has received repeated complaints about the dearth of information provided by the household goods carrier to the shipper, and the carrier's different policies that might arise upon a change of condition, available insurance for more expensive items, carrier's liability for loss or damage, and incomplete bills of lading and inventory lists. Concerning damages and loss, the carrier provides no assistance or information on how to file a claim, or the carrier postpones settlement for an inordinate amount of time. In some instances, Oklahoma has even received complaint concerning shoddy repairs to damaged goods!

Also, Oklahoma has noted a high frustration level of those shippers who have attempted to arbitrate without civil suit, and the absolute lack of enforcement authority at the state or federal level.

It is the Commission's belief that the dynamics of regulation are akin to an automobile, regular fine tuning keeps the Agency in top running condition.

In regards to the diagnostics of this rulemaking, the Commission applauds the efforts of the Federal Highway Administration ("FHWA") to curtail existing abuses in the household goods moving industry. The manner in which the proposed rules are couched, suggests the rules are written "user friendly", which the Commission strongly supports. As set forth, the rules can be assimilated and understood by the lay shipper, who in most instances, is not familiar with the terms of art peculiar to the household goods moving industry. Along those lines, the Commission offers the following comments that we believe will sharpen the focus of the proposed rules, expand the methodology of dispute resolution, allow dissatisfied shippers litigation assistance, provide additional means of payment, and alleviate complaints received by the FHWA from aggrieved shippers.

The areas the Commission would recommend further expansion to enhance consumer protection are set out below.

**(49 CFR 375-221 and Appendix A Subpart B)** The Commission suggests that the term “cashier’s check” not supplant the term “money order”. It’s true, a money order does have certain bearer characteristics, so long as the money order does not have a payee denoted. However a money order is **not** as much a bearer instrument as cash. The retention of the term cash and striking of the term money order is inconsistent. A loss of an open money order that does not denote a payee can result in a stop payment of the same. No stop payment is available for the loss of cash. Also, a shipper may be hesitant in carrying a large sum of cash and wants to go to a convenience store and convert the same to consecutive money orders. Upon conversion and insertion of the name of the payee carrier, the money orders are as secure as a cashiers check. The Commission recommends that the term money order not be stricken, and the term cashiers check be added to the rule and Appendix referenced above.

**(49 CFR 375.215)** Much comment has been raised concerning the problems associated with inflated weights, hostage goods, and payment demands in excess of estimate. The Commission recommends the option of pre-payment be made available at the shipper’s election, especially for weight based shipments. The carrier would insure an accurate weight prior to shipping to eliminate sorting themselves from weight based revenues. The shipper in turn, has confidence in the agreed weight rate and relies upon pre-payment of freight charges to assure no hidden or destination charges.

**(49 CFR 375.211)** The Commission would further recommend that the rule(s) concerning arbitration be expanded to include an Alternative Dispute Resolution format. Arbitration alone limits available dispute resolution means, and inasmuch as Alternative Dispute resolution enjoys widespread recognition, it would seem illogical to omit it.

**(49 CFR 375.1001)** As an additional remedy, the Commission would encourage the inclusion of language to the effect that “Notwithstanding the above civil penalties, nothing in this Section shall deprive any holder of a receipt of bill of lading any remedy or right of action under existing law. Where litigation is pursued under other existing rights, the prevailing party shall be allowed attorney fees, trial preparation costs, and court costs.” Further, the Commission would suggest this language be paraphrased and included in Appendix “A” displayed in prominent print on the front page of the pamphlet entitled “Your rights and responsibilities when you move.” Coupled with the proposed language should be the option of the shipper to a choice of forum, being either the shipping or destination state.

The Commission also suggests that the pamphlet have referenced within it a compilation of state agencies that intake shipper complaints concerning household goods moves. By including such a list, the complaints directed to the FHWA addressing household goods moving complaints should diminish dramatically.

The Commission thanks the FHWA in advance for considering these comments.

Respectfully submitted;

  
Jerry V. Matheson, Director  
Transportation Division  
Oklahoma Corporation Commission